

R E M A R K S

It is noted with great appreciation that the Examiner has found allowable subject in Claim 3. However, at this time, the Applicant respectfully chooses to argue the broader claims.

Claim 1 stands rejected under 35 USC 102 as being anticipated by Pearlman et al. Claim 2 stands rejected under 35 USC 103 as being unpatentable over Pearlman et al.

Previously, it has been respectfully pointed out that the claims recite features not anticipated by Pearlman et al. In particular, such features include "the estimation of the probabilities of occurrence of the symbols 0 and 1 in said lists at each level of significance...are considered". However, despite this point, the above rejections have been maintained.

In maintaining these rejections, column 9, lines 27-37, of Pearlman et al. is being relied on. In Column 9, lines 27-37, Pearlman et al. discloses:

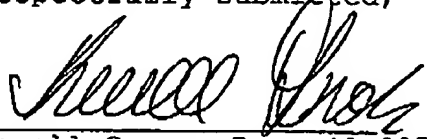
"During subroutine 230, set S is partitioned in four equal sets O(S) during step S231. Each set O(S) is then tested to determine whether whether or not it is significant during step S233. In either case, the determination result is output to the communication channel during step S232."

Based on the above disclosure, Pearlman et al. only discloses determining whether each set is significant. Thus, Pearlman et al. cannot be reasonably interpreted as disclosing "the estimation of the probabilities of occurrence of the symbols 0 and 1 in said lists at each level of significance...are considered", as required by the claims. Therefore, it is respectfully submitted that this feature is not anticipated by Pearlman.

In view of the above-described distinctions, it is respectfully submitted that the invention of Claims 1-2 is not anticipated nor made obvious by Pearlman et al. Therefore, it is respectfully requested that the above rejections be reconsidered and withdrawn so that the present application may proceed to issue.

The Commissioner is hereby authorized to credit any overpayment or charge any fee (except the issue fee) to Account No. 14-1270.

Respectfully submitted,

By   
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